(e) and (f) Inventions of new drugs (New chemical entities) involves sophisticated basic R&D in the fields of synthetic chemistry, pharmacology, toxicology and chemical studies etc. It requires huge investment and prolonged studies. The development of Indian pharmaceutical industry has taken place relatively later. However, in the last two-three decades it has made sagtam-cant progress. About 70 per cent of the bulk drugs and almost entire range of formulations requirements are met through indigenous production.

**Closure of industrial units in Maharashtra and Gujarat after Molasses decontrol**

1345. SHRI CHIMANBHAI MEHTA;
SHRIMATI MIRA DAS:
SHRI G. G. SWELL:
SHRI SARADA MOHANTY:
SHRI SUBRAMANIAN SWAMY;

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact as a consequence to decontrol of molasses many distilleries and alcohol based chemical units in Maharashtra and Gujarat have shut down; if so, what are the reasons thereof;

(b) whether it is a fact as a result of decontrol of molasses prices have shot up and reached the figure of Rs. 1000/-or more per tonne; if so, what are the implications for user industries;

(c) whether it is a fact that to countered rising prices of molasses Government is contemplating imports; if so, the details thereof;

(d) whether it is a fact that Uttar Pradesh has defied decontrol order, if so, what are the reasons thereof;

(e) what was the controlled prices of molasses few months back and what is the difference now; and

(f) whether controlled price of molasses in Uttar Pradesh is Rs. 144 per tonne and price of industrial alcohol is Rs. 5 per litre?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) Some alcohol based chemical units from Maharashtra have reported that their units have been closed down due to unviable prices of alcohol.

(b) Consequent upon rescinding the Molasses Control Order, 1961 there is some increase in the prices of molasses and the downstream products.

(c) No, Sir.

(d) U. P. Government is in the pro-Ces of adjusting their own laws and regulations to conform to the policy of decontrol over molasses and alcohol.

(e) and (f) The Molasses prices under the Molasses Control Order, 1961, which has been rescinded on the 10th June, 1993 were as follows:

| Grade of Molasses | Price |
|---|---|
| Grade I . | Rs. 14.40 per 100 Kg. |
| Grade II . . | Rs. 11.50 per 100 Kg. |
| Grade III . | Rs. 8.60 per 100 Kg. |
| Below Grade III | Rs. 8.60 for 40 Kg. |

After rescinding the said order the prices of molasses vary from State to State and even from Sugar mill to Sugar mill and hence no specific price on national basis can be found at this moment.

The controlled basic price of alcohol under the Ethyl Alcohol (Price Control) Order, 1971 was as follows:

| 1 | 2 |
|---|---|
| 1. Absolute Alcohol conform to ISI standard No. 321-1952 marked for equivalent volume at 100 percent V/V strength. | Rs. 3941.30 per KL |
| 2. Rectified spirit conforming to ISI standard No. 323-1959 marked for equivalent volume 100 per cent V/V strength. | Rs. 3583/- per KL. |
| 3. Rectified spirit conforming to ISI standard No. 323-1959 marked for equivalent volume at 94.68 percent V/V strength. | Rs. 3392.38 per KL. |

**Delicensing Pharmaceutical Industry**

1346. SHRI PASUMPON THA. MIRUTTINAN:
SHRI RAMDAS AGARWAL;
SHRI N. GIRI PRASAD:

Will the PRIME MINISTER be pleased to state:

(a) whether if is a fact that the pharmaceutical industries were left out of deregulation process in July, 1991 when the Government came out with new Industrial Policy if so, what were the reasons therefor;

(b) whether it is a fact that Government have decided to delicense the pharmaceutical industry and are working out modalities for deregulation and decontrol thereof as reported in the Hindustan Times dated the 18th July, 1993;

(c) if so, by when, and whether the prices of essential drugs would be allowed to be determined by free market forces;

(d) whether Government propose to formulate special distribution scheme so that the essential drugs are made available to public hospitals and other voluntary institutions at subsidised/cheaper rates through voluntary support of the companies; and

(e) if so. what are the details thereof indicating the steps, if any, taken in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (e) Yes Sir. Medicins unlike most other industrial products have a direct bearing on the health care and, herefore, are essential in nature. The major objective of the Drug Policy 1986 is to ensure availability of quality products in abundant quantities at reasonable prices. A review of Drug Policy 1986 had been initiated even betore the announcement of the new Industrial Policy in July 1991 and a background note for discussion on the Review of Drug Policy 1986 has been placed on the Table of the House van 12.8.1992.

**Violation of provision, of DPCO**

1347. SHRI ANANT RAM JAISWAL:
DR. NARREDDY THULASI REDDY:

Will the PRIME MINISTER be please.) to refer to the answer to Unstarred Question 1222 given in Rajya Sabha on the 4th March. 1993 and state:

(a) whether it is a fact that while increasing prices of 55 bulk drugs in August/September, 1991 it was assumed that consumption norms CIF import price and other costs have remained the same after BICP study;

(b) whether it is a fact that this assumption was wrong and was made to help the producers;

(c) whether it is a fact that the consumer interests were altogether ignored, if so, who was responsible for this lapse and